II. Remarks

Reconsideration and allowance of the subject application are respectfully requested.

Claims 63-84 are pending in the application. Claims 63 and 82 are independent.

The undersigned and the inventors and their representatives, would like to thank Examiner Colbert for the cordial and productive telephone conference of October 25, 2004. The Examiner's helpful comments and suggestions were instrumental in preparing this response.

As discussed during the telephone conference, a new Abstract is provided herewith. Also, the specification has been amended as kindly suggested by the Examiner in the February 13, 2004 Office Action. No new matter has been added.

The cancellation of former Claims 1-62 mooted the objections and rejections set forth at pages 3-24 the February 13, 2004 Office Action.

The former claims were rejected as being unpatentable over Champion, Albright, and Dembo, for the reasons set forth at pages 3-24 of the February 13, 2004 Office Action. While Applicants respectfully traverse all art rejections, the undersigned would like to thank Examiner Colbert for the detailed and clear description of how she applied the cited art to the claims. This thorough

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explanation was extremely helpful to Applicants in crafting their response.

As discussed during the telephone conference, Applicants submit the following additional distinguishing remarks with respect to the cited art.

Independent Claim 63 recites a novel combination of structure and/or function whereby at least one discretionary allocation program is provided for at least one investor. Data storage structure is provided for storing data from at least one source for the at least one investor. Structure is also provided to automatically implement discretionary investment allocation decisions utilizing a discretionary asset allocation program. An automatic implementation of discretionary investment allocation decisions is accomplished by following a process that systematically reduces or eliminates a conflicted person's ability to self deal. Notably, the basis upon which the discretionary investment allocation decisions are implemented utilizes methodologies and parameters that are developed or maintained by at least one person who is generally or totally independent of the conflicted person who is involved with the discretionary asset allocation program. A computer (having a program) is operatively connected to the automatic implementing discretionary asset allocation structure, and is used to implement the methodologies and parameters developed or approved by the at least one generally or totally independent

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·person.

Independent Claim 82 recites a novel combination of steps whereby discretionary asset allocation services are provided for investors participating in an employer-sponsored benefit plan. The funding needs of the investors are identified, based on investor data, the investor data including at least investor age. Discretionary asset allocation services are provided for participating investors, based on investor data using generally accepted investment principles, including at least one investment vehicle for each participating investor. Notably, the at least one investment vehicle is selected based on a computer program applying a methodology maintained and overseen by a financial expert who is independent of any other party who may earn variable fees or profits based on the allocation of investments. The discretionary asset allocation services are provided by or in concert with a person whose fees or profits vary depending on the choice of at least one investment vehicle.

Champion discloses a data processing apparatus and method that controls a goal-directed financial assets management system. However, Champion fails to disclose or suggest the combinations of features discussed above, including, inter alia, the feature wherein the basis upon which the discretionary investment allocation decisions are implemented utilizes methodologies and parameters that are

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developed or maintained by at least one person who is
generally or totally independent of the conflicted person who
is involved with the discretionary asset allocation program
(Claim 63). Champion also fails to disclose or suggest the
combinations of features discussed above, including, *inter
alia*, the feature wherein the at least one investment vehicle
is selected based on a computer program applying a
methodology maintained and overseen by a financial expert who
is independent of any other party who may earn variable fees
or profits based on the allocation of investments (Claim 82).
Accordingly, the salient claimed features of the present
invention are nowhere disclosed or suggested by Champion.

Albright discloses a computer-implemented
retirement planning system which produces (i) estimated
values of needed savings and (ii) further income, based on
certain economic assumptions and data regarding an
individual's current financial status. However, like
Champion, Albright fails to disclose or suggest the claimed
combinations of features including those elements discussed
above. Therefore, the salient claimed features of the
present invention are fully patentable over Albright.

Dembo discloses a computer-implemented method for
compressing a portfolio of financial instruments. However,
Dembo also fails to disclose or suggest the claimed
combinations of features including those elements discussed

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earlier. Therefore, <u>Dembo</u> also fails to render the claims of the subject application unpatentable.

Moreover, the claims of the subject application are not obvious over any combination of <u>Champion</u>, <u>Albright</u>, and <u>Dembo</u>. First, there is no combination of these patents which discloses the combinations of claim elements described above. Second, Applicants respectfully submit that there is no convincing suggestion in any of the art which would lead the person of ordinary skill in this art to combine these patents in the manner proposed, absent hindsight reconstruction. Accordingly, Applicants respectfully submit that the pending claims are fully patentable over the cited art, whether that art is taken individually or in combination.

The dependent claims are believed to be allowable for the same reasons as set forth above with respect to the independent claims, and also for reciting allowable subject matter in their own right. Accordingly, individual consideration and allowance of the dependent claims is respectfully requested.

In view of the above amendments and remarks, it is believed that this application is now in condition for allowance, and a Notice thereof is respectfully requested.

Applicants' undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 625-3500. All correspondence should continue to be directed to our address given below.

Respectfully submitted,

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